

AMENDED IN ASSEMBLY APRIL 22, 1996

AMENDED IN ASSEMBLY APRIL 15, 1996

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

## ASSEMBLY BILL

**No. 2300**

**Introduced by Assembly Member McPherson**

February 15, 1996

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An act to amend Sections 6516 and 11007.7 of the Government Code, relating to joint exercise of powers.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2300, as amended, McPherson. Joint exercise of powers.

Existing law requires the procurement of insurance or official bonds by any state agency to be subject to approval of the Department of General Services, except as provided.

This bill would exempt from these provisions an insurance and risk pooling arrangement formed pursuant to a joint powers agreement entered into by a public agency conducting agricultural, livestock, industrial, cultural, or other types of fairs or exhibitions, as provided in existing law.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6516 of the Government Code is  
2 amended to read:

1 6516. Public agencies conducting agricultural,  
2 livestock, industrial, cultural, or other types of fairs or  
3 exhibitions may enter into a joint powers agreement to  
4 form an insurance pooling arrangement for the payment  
5 of workers' compensation, unemployment  
6 compensation, tort liability, public liability, or other losses  
7 incurred by those agencies. An insurance and risk pooling  
8 arrangement formed in accordance with a joint powers  
9 agreement pursuant to this section is not subject to  
10 Section 11007.7 of the Government Code. The  
11 Department of Food and Agriculture may enter into such  
12 a joint powers agreement for the California Exposition  
13 and State Fair, district agricultural associations, or citrus  
14 fruit fairs, and the department shall have authority to  
15 contract with the California Exposition and State Fair,  
16 district agricultural associations, or citrus fruit fairs with  
17 respect to such a joint powers agreement entered into on  
18 behalf of the California Exposition and State Fair, district  
19 agricultural association, or citrus fruit fair. Any county  
20 contracting with a nonprofit corporation to conduct a fair  
21 pursuant to Sections 25905 and 25906 of the Government  
22 Code may enter into such a joint powers agreement for  
23 a fair conducted by the nonprofit corporation, and shall  
24 have authority to contract with a nonprofit corporation  
25 with respect to such a joint powers agreement entered  
26 into on behalf of the fair of the nonprofit corporation.

27 Any county contracting with a nonprofit corporation to  
28 conduct a fair shall assume all workers' compensation and  
29 liability obligations accrued prior to the dissolution or  
30 nonrenewal of the nonprofit corporation's contract with  
31 the county.

32 Any public entity entering into a joint powers  
33 agreement under this section shall establish or maintain  
34 a reserve fund to be used to pay losses incurred under the  
35 agreement. The reserve fund shall contain sufficient  
36 moneys to maintain the fund on an actuarially sound  
37 basis.

38 SEC. 2. Section 11007.7 of the Government Code is  
39 amended to read:

1 11007.7. (a) The procurement of insurance or official  
2 bonds by any state agency shall be subject to approval of  
3 the Department of General Services. Any procurement  
4 of this type, upon request of the state agency concerned,  
5 may be made by the Department of General Services on  
6 behalf of the agency.

7 (b) Whenever the procurement of insurance or  
8 official bonds for, or on behalf of, the state is authorized  
9 by law and no state agency is specifically authorized to  
10 purchase the insurance or official bonds, the Department  
11 of General Services may procure the insurance or official  
12 bonds.

13 (c) This section shall not apply to any of the following:

14 (1) Insurance procured by the Department of  
15 Transportation or the California Transportation  
16 Commission under Sections 100.7 and 30450 to 30453,  
17 inclusive, of the Streets and Highways Code.

18 (2) Workers' compensation insurance procured under  
19 Section 11870 of the Insurance Code.

20 (3) Insurance procured by the California State  
21 University.

22 (4) An insurance and risk pooling arrangement  
23 formed pursuant to a joint powers agreement as specified  
24 in Section 6516.

